

SB0012



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0012

Introduced 1/31/2007, by Sen. Emil Jones, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 5/212

Amends the Illinois Income Tax Act. Increases the amount of the earned income tax credit from 5% of the federal credit to: (i) 7.5% of the federal tax credit for taxable years ending in calendar year 2007; and (ii) 10% of the federal tax credit for taxable years ending in calendar year 2008 or thereafter. Effective immediately.

LRB095 07228 BDD 27874 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 212 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to the following:

13 (1) for each taxable year beginning on or after January
14 1, 2000 and ending before or during calendar year 2006, the
15 amount of the credit is 5% of the federal tax credit; ~~for~~
16 ~~each taxable year beginning on or after January 1, 2000~~

17 (2) for any taxable year ending during calendar year
18 2007, the amount of the credit is 7.5% of the federal tax
19 credit; and

20 (3) for any taxable year ending during calendar year
21 2008 or thereafter, the amount of the credit is 10% of the
22 federal tax credit.

23 For a non-resident or part-year resident, the amount of the

1 credit under this Section shall be in proportion to the amount
2 of income attributable to this State.

3 (b) For taxable years beginning before January 1, 2003, in
4 no event shall a credit under this Section reduce the
5 taxpayer's liability to less than zero. For each taxable year
6 beginning on or after January 1, 2003, if the amount of the
7 credit exceeds the income tax liability for the applicable tax
8 year, then the excess credit shall be refunded to the taxpayer.
9 The amount of a refund shall not be included in the taxpayer's
10 income or resources for the purposes of determining eligibility
11 or benefit level in any means-tested benefit program
12 administered by a governmental entity unless required by
13 federal law.

14 (b-5) Refunds authorized by subsection (b) are subject to
15 the availability of funds from the federal Temporary Assistance
16 for Needy Families Block Grant and the State's ability to meet
17 its required Maintenance of Effort.

18 (c) This Section is exempt from the provisions of Section
19 250.

20 (Source: P.A. 93-534, eff. 8-18-03; 93-653, eff. 1-8-04.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.